



EBRD joined the first Greenfield copper gold mining project in Europe lead by Euromax Canadian mining developer listed on Toronto stock market exchange, the project which is described as one of the most attractive European discoveries. EBRD engagement may help to ensure the application of highest standards of environment protection if the mine operation kicks off. Eventually we will see if the junior mining developer Euromax will step off and sell the project to a bigger copper-gold exploration player.

Euromax Resources gold copper Ilovica project is a first European greenfield mining project in over three decades. Beside EBRD 20% share in the project, Euromax secured the off take agreement with Aurubis which secured a loan from German state equity fund. In addition Euromax secured loan from Caterpillar and agreement with Royal Gold.

EBRD engagement, despite the fact its not a big one, does influences the attractiveness for other investors and Euromax financial markets target groups.

Royal Gold, Amec Foster Wheeler are on board as financier and technical adviser. Entrance of Aurubis is not a surprise as its a win win deal for both companies. Two other major banks Société Générale S.A. and UniCredit Bank AG are also assessing the loan possibility for Euromax Ilovica mine.

According to Euromax reports the project is being prepared under the strict EBRD's Performance Requirements claim from Euromax.

We spoke with EBRD spokeswoman, Mrs. Viktorija Quartly about the EBRD expectation this greenfield mining project.

EBRD have provided a small amount of financing to the company for the preparation of the feasibility study and front end engineering and design work. As part of this financing EBRD have verified that the company is aware of our policy requirements and that the project is being developed in accordance with our Environmental and Social Policy. Bank have worked closely with the company, and they embrace this approach. The company will likely seek further financing in the future and to attract investors it will be important (and is a contractual requirement) for the Company to fulfill and comply with the EBRD Environmental and Social Policy requirements explained EBRD spokeswoman Viktorija Quartly for SEE Mining Watch News of Serbia-Energy.Eu

All aspects of the project reviewed to date are compliant with our policy and good international practice. In fact, the performance of several of their activities to date is greater than that of many projects, even given the early status of this project. Further, work to date illustrates that they have an active and effective program for dealing with the local communities. All of this information will be presented in the eventual Environmental and Social Impact Assessment for the project, when developed and released for public

consultation notes Quarterly.

What is the status of Bank PRs (Performance Requirements) on this project, is the Bank monitoring the Environment risks?

We have been onsite to review environmental and social aspects twice and have reviewed current activities of the company. Based on this, we can state that the project is currently compliant with the relevant PRs (not all are applicable given they are yet in the development/pre-production stage), and is being designed and developed to be compliant with our PRs. This is a requirement of the Bank that is well understood and endorsed by the company.

What are the main risks from Bank view in developing mining project like this, environment and social impact risks and what is the role of Bank with Euromax policy/plans for mitigation of Environment Risks?

This project is still at the early stages. Based on EBRD policy and procedures, and as part of the agreed and signed legal documentation, the Company has allocated necessary resources to evaluate and mitigate potential environmental and social risks, and to allow review of alternatives for design of the project with due regard to these risks and sensitivities. EBRD team in charge of the project has recently visited the site together with an independent expert to review site conditions and status of development to date, and as part of this visit verified the approach and methods utilised by the company.

Could this EBRD-Euromax JV deal be a success case pattern for natural resources financing in East Europe?

We believe this project presents a real opportunity to demonstrate high standards of EHS compliance in this region. In fact, the EBRD has recently completed a project of training local environmental experts in FYR Macedonia, and as part of this training we invited Euromax to demonstrate their impressive data collection and data management systems, and overall approach to addressing EHS issues.

Would you be able to comment Euromax stakeholder relations platform (we see they have grievance-transparency platform) in terms of local NGOs complaints on the environment risks?

Euromax has already held numerous public meetings, and they have a project information centre near the site where information can be accessed and questions or complaints may be logged. From our site visits, and meetings with local administrative officials, it is clear that the company does currently have an effective stakeholder relation platform and a grievance mechanism. This is before any mining activities have been initiated on site, and therefore we believe to be at least consistent with good international practice, and likely even above such requirements.

Reputation Risk of the Euromax is we presume low therefore EBRD stepped into the project without constraints?

Based on our two site visits, and numerous meetings with the Euromax team, we are confident that operations to date are compliant with our Policy/PRs and that the project will be designed and developed in compliance with such. Going forward we will monitor this through detailed review of the Environmental and Social Impact Assessments (once developed) and will continue onsite inspections to verify compliance concluded EBRD spokeswoman Viktorija Quartly for SEE Mining Watch News of Serbia-Energy.Eu